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DOGM
MINERALS PROGRAM
FILE COPY

June 16, 1989

TO: File

FROM: D. Wayne Hedberg *DWH*

RE: Field Inspection, Tenneco Minerals Corporation, Goldstrike Mine, M/053/005, Washington County, Utah

On June 14, 1989, Wayne Hedberg visited the Goldstrike mine site and met with Mr. Ken Kluksdahl of Tenneco. The purpose of the site inspection was to familiarize myself with the current status of operations and development at the mine. Mr. Kluksdahl gave me a tour of the surface disturbance and the associated mining support facilities that have been constructed to date. Several pictures were taken from various vantage points on the mine site of the construction and mine development.

Five ore bodies have been identified that will be mined as strip pits. Three are currently being mined, the Hamburg, the Main Zone and the Hassayampa pits. The Hassayampa Pit has been totally mined out and is currently being backfilled with waste material from the development of the Main Zone and the Hamburg pits. Mr. Kluksdahl indicated that there were two or three new ore bodies currently being explored for potential future development.

Tenneco has purchased the materials for construction of the pregnant solution ditch covers which were recently approved by the Division. Mr. Kluksdahl indicated that they would be constructing these covers within the near future. Other onsite construction included preparation of the 8 foot base layer for the continued expansion of the heap leach pads. Ore is presently being removed from the Main Zone pit, while the Hamburg pit is currently being stripped of overburden. The gold and silver processing facilities are currently running at approximately half capacity. Insufficient solution volume is being produced from the heap leach pads presently. The operation is averaging one pour of precious metals per week. Three small dores were produced on the day of my inspection. Mr. Kluksdahl indicated that the dore buttons were running approximately 40% gold and 58-60% silver. Some mercury is also produced as a byproduct of the Merrill-Crowe process.

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Mr. Kluksdahl indicated that they have not had any more mortalities as a result of livestock or wildlife ingesting the cyanide solutions on site. All in all, the operations appeared to be proceeding according to the approved plans. There were no significant environmental problems noted during the inspection.

jb
cc: Lowell Braxton
Ken Kluksdahl
Minerals Team
MN2/97-98